

Message Text

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72

ACTION EUR-25

INFO OCT-01 IO-13 ADP-00 SS-15 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02

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INFO AMEMBASSY BONN

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AMEMBASSY DUBLIN

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AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

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AMEMBASSY ROME

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TAGS: EIND ETRD EEC DA

SUBJ: EC INDUSTRIAL POLICY -- DANISH PROPOSAL ON REGULATING
MULTINATIONAL CORPORATIONS.

REF: A. COPENHAGEN 1661; B. COPENHAGEN A-124, JUNE 18 1973

SUMMARY: DANISH GOVERNMENT SUBMITTED MEMORANDUM TO EC
COUNCIL PROPOSING SERIES OF MEASURES FOR STUDY BY COMMISSION
FOR CONTROL OF MULTINATIONAL CORPORATION ACTIVITIES WITHIN
COMMUNITY. DENMARK WOULD LIKE TO SEE COMMISSION DEVELOP
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SPECIFIC ACTION PROGRAM ON BASIS THESE PROPOSALS WITHIN CONTEXT

INDUSTRIAL POLICY PROGRAM NOW BEING PREPARED BY COMMISSION.
DANISH PROPOSALS ARE AIMED AT ASSURING THAT INTERNATIONAL
CORPORATIONS ARE KEPT WITHIN BOUNDS COMPATIBLE WITH EC ECONOMIC
AND SOCIAL OBJECTIVES AND INCLUDE SUGGESTIONS FOR HARMONIZATION
OF LABOR RELATIONS RULES WHICH RE HEAVY WITH SOCIAL DEMOCRATIC
IDEOLOGY. END SUMMARY

1. AT THE JULY 23-24 EC COUNCIL MEETING, DENMARK SUBMITTED
A MEMORANDUM ON MULTINATIONAL CORPORATIONS IN WHICH IT
PROPOSED A NUMBER OF CONCRETE MEASURES INENDED "TO ENSURE
THAT INTERNATIONAL CORPORATIONS CONDUCT THEIR ACTIVITIES IN A
MANNER COMPATIBLE WITH THE ECONOMIC AND SOCIAL OBJECTIVES OF
MEMBER STATES AND THE COMMUNITY." DENMARK PROPOSED THAT
THESE MEASURES BE INCLUDED IN THE ACTIIO PROGRAM OF THE OVERALL
ED INDUSTRIAL POLICY NOW BEING DEVELOPED BY THE COMMISSION.

2. DANISH MEMORANDUM PROPOSED FOLLOWING SIX POINTS BE
FOCUS OF ACTION PROGRAM ON NMC'S:

(A) DISCLOSURE AND INFORMATION - IMPROVED THROUGH
HARMONIZATION OF COMPANY LAW SETTING SPECIFIC RULES ON DISCLOSURE
OF COMPANY OPERATIONS AND THROUGH PUBLISHED AND STANDARDIZED
STATISTICS WITHIN COMMUNITY ON MNC'S OVER A CERTAIN SIZE.

(B) TAXATION - HARMONIZATION OF TAXATION WITHIN COMMUNITY
AND NEGOTIATION WITH THIRD COUNTRIES TO ELIMINATE TAX LOOPHOLES.

(C) CAPITAL MOVEMENTS - CONSIDER MEASURES TO CONTROL
MNC MOVEMENTS OF FUNDS ACROSS BORDERS WHICH MIGHT
AGGRAVATE INTERNATIONAL MONETARY CRISES.

(D) COMPETITION -- DEVELOP REGULATIONS ASSURING FREE
COMPETITION WITHIN COMMUNITY .

(E) LABOR RELATIONS - ENSURE CO-DETERMINATION FOR
EMPLOYEES, HARMONIZATION OF MEMBER STATES LEGISLATION
REGARDING COLLECTIVE DISMISSALS, AND CONSIDER PROCEDURES FOR
ESTABLISHING COLLECTIVE BARGAINING AT EUROPEAN LEVEL FOR ALL PLANTS
OF AN MNC WITHIN EC.

(F) SUBSIDIES - CONSIDER NEED FOR SPECIAL COMMUNITY
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RULES ON SUBSIDIES TO INDUSTRY BY MEMBER STATES . (COPY OF
DANISH MEMORANDUM BEING POUCHED TO ALL ADDRESSEES.)

3. FONOFF OFFICIAL (RIBERHOLDT) NOTED THAT OUTLINE OF DANISH
MEMORANDUM WAS PRESENTED BY FONECONMIN NORGAARD IN
PARLIMENTARY SPEECH ON MAY 16 (REF B) AND THAT BASIC
PRUPOSE IS TO PROVIDE MORE SPECIFIC ACTION ORIENTED GUIDELINES
THAN PROVIDED IN OVERALL COMMISSION PAPER ON INDUSTRIAL POLICY.

4. EMBASSY COMMENT: DANISH PROPOSAL IS IDEOLOGICALLY COMPATIBLE WITH SOCIAL DEMOCRATIC PRINCIPLES AND SUPPORTIVE OF DANISH GOVT'S INTENTION TO EMPHASIZE WITHIN COMMUNITY PROGRAMS WHICH IMPROVE QUALITY OF LIFE AND ADVANCE SOCIAL JUSTICE. AT SAME COUNCIL MEETING, THEY ALSO SUBMITTED ACTION PROPOSAL FOR CONSUMER PROTECTION(REPORTED SEPARATELY) FOR MUCH THE SAME REASONS. WE HAVE NOT YET SEEN EC BURSSELS A-282 ON COMMISSION PAPER ON INDUSTRIAL POLICY AND, THEREFORE, CANNOT EVALUATE EXTENT TO WHICH DANISH PROPOSALS MESH WITH THOSE OF THE COMMISSION. SINCE DANISH PROPOSAL FOCUSES ON MNC'S, IT COULD HAVE PARTICULARLY IMPORTANT EFFECT ON US COMPANY OPERATIONS WITHIN COMMUNITY. BUT, DANES DO NOT APPARENTLY INTEND TO PORPOSE DISCRIMINATORY TREATMENT. IN FACT,, THEIR "ACTION" PROGRAM IS MORE AN OUTLINE OF PROBLEMS AND MEASURES TO BE STUDIED THAN SPEDIFIC PROPOSALS. THEY SEE MNC'S NOT AS VILLAINS (THEY HAVEALWAYS BEEN WELCOME IN DENMARK AND HAD NO DIFFICULTIES), BUT AS NEW BREED OF CATS REQUIRING DIFFERENT SET OF REGULATIONS THAN THOSE APPLYING TO TRADITIONAL NATIONAL COMPANIES. THIIIS IS NO LONGER A UNIQUE VIEW AMONG GOVERNMENTS, BUT DANISH APPROACH IS SOMEWHAT MORE LOADED ON SOCIAL JUSTICE SIDE (VIZ.. LABOR RELATIONS PROPOSALS) THAN OTHERS MIGHT BE. DUNNIGAN

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